

Inquiries

Michigan Energy Efficiency Grant – *Michigan Saves* (Request for Proposals dated February 13, 2009)

- Q. Could you please clarify the MIEEG - *Michigan Saves*, Case No. U-13129 RFP statement in Part 1, Section I-E? “It is expected that one grant will be awarded.” Is this contingent upon the number of grant applications submitted and the grant amounts requested?**
- A. The grant to be awarded is not contingent upon the number of grant applications submitted and grant amounts requested. It is anticipated that one grant will be awarded to a winning applicant for the entire \$8,105,000 amount.
- Q. If \$8,105,000 is not needed for a project, should an organization still apply?**
- A. The grant requests an organization to set up an administrative structure to interface with multiple parties and a trust fund to provide up-front financing for installation of energy efficiency measures. The amount budgeted for setting up the administrative structure is \$1,605,000. It is acceptable if an organization can set up the administrative structure for less than the \$1,605,000 budget amount. The initial amount of the trust fund is fixed at \$6,500,000 and will not change.
- Q. Upon reading the eligibility requirements I just wanted to make sure that a Church would qualify to apply for weatherization improvements as a non-profit?**
- A. The *Michigan Saves* program is currently in its formative stages. Once an administrative structure is in place, any person or organization can apply to *Michigan Saves* for a loan to install energy efficiency measures. The loan can be paid back with a part of the savings that result from installation of the energy efficiency measure.
- Q. How do I go about getting on the *Michigan Saves* Program? I'm very interested in making my home more energy efficient and using green energy. I have 5.5 acres and would be willing to have solar and wind for power and any additional energy efficient products to help reduce my carbon foot print.**
- A. The *Michigan Saves* program is currently in its formative stages. *Michigan Saves* is envisioned to be an energy efficiency project, as opposed to a renewable energy project. However, we are awaiting applicant proposals, and will make a determination on whether renewable energy installations will be covered by the project after review of applicant proposals.

Part of the grant will be used to set up an administrative structure to provide loans to people and organizations that desire to install energy efficiency, and possibly renewable

energy measures. After the administrative structure is in place, you may be able to apply to *Michigan Saves* for a loan to install renewable energy equipment.

Q. I've read this RFP and need help with identifying project eligibility. We typically work with agricultural producers on renewable energy projects such as anaerobic digestion systems and algae cultivation. These projects typically generate energy for on-site use as well as excess that can be sold to the local utility. Would such a project qualify for this grant?

A. *Michigan Saves* is primarily focused on energy efficiency, however, it is possible that a renewable energy project such as a bio-digester could be funded. *Michigan Saves* provides up-front financing for the installation of energy efficiency measures. For example, *Michigan Saves* will pay the cost of installing a water heater or high efficiency furnace, and the homeowner will make payments on the installation loan for a number of years. The payment amount on the loan will be less than the energy savings that result from installation of the energy efficiency measure. A portion of the energy savings will be used to pay for the cost of the water heater installation and a portion of the savings will result in a lower bill for the customer.

Q. Is there a maximum award?

A. The maximum award is \$8,105,000.

Q. In the event of expiration or cancellation of the Grant Agreement will Part II, Section II-K, Intellectual Property still be enforced?

A. Yes. The entire Section II-K, Intellectual Property will still be enforced in the event of expiration or cancellation of the Grant Agreement.

Q. Pages 16 and 26 of the RFP state the Michigan Public Service Commission's (Commission) expectation that the *Michigan Saves* system will be operational and able to enroll customers by June 2009. Is the reference to June 2009 correct?

(1) **If this is correct, please indicate which utilities would be in a position to enroll customers by early to mid-June as indicated in the RFP.**

(2) **If this is not correct, please indicate whether the Commission is open to determining the timing based on the work plan of the selected grantee.**

A. (1) The intent is for *Michigan Saves* to become operational as soon as possible. The time frame for achieving operational status is dependent upon variables that each applicant will present in their proposal. It is up to the applicant to indicate coordination with utility companies in their proposal.

- (2) In the normal course of events during the grant process, the Commission staff will enter into discussions to revise proposals after a grantee has been selected. This normal course of events will be followed during this grant round.

Q. The RFP indicates that the grant funding is derived from two sources: (1) the Low-Income Energy and Efficiency Fund, and 2) monies awarded to the state from the U.S. Department of Energy. The RFP also summarizes the Commission orders authorizing funding of the Low-Income Energy and Efficiency Fund through the rates of Detroit Edison Company (electric) and Consumers Energy Company (gas and electric).

(1) Please identify the source(s) of funding for the \$6.5 million trust fund.

(2) Please identify any known restrictions on the use of this initial trust fund amount.

A. (1) The Low-Income and Energy Efficiency Fund will fund the \$6.5 million trust fund.

(2) Our goal is for the entire trust fund to be spent on energy efficiency projects.

Q. The RFP's description of the *Michigan Saves* system seems to reflect key elements of the Pay As You Save® or PAYS® system. Does the Commission want *Michigan Saves* to mirror PAYS®, or is it open to other program designs?

A. The Michigan Public Service Commission is open to the idea of other program designs.

Q. Task 30 on page 19 asks for a description of how the project will be evaluated to determine the impact, including a description of the analysis. If this evaluation is conducted by an independent third party, who is responsible for the evaluation design (the successful bidder, the third party, or both collaboratively)?

A. The Michigan Public Service Commission wants an independent third party to design and conduct the evaluation.

Q. Page 24 of the RFP states that grant proposals must be no longer than 40 double-spaced pages. Does the proposal need to be double spaced or can it be 20 or fewer single-spaced pages?

A. As stated on page 24 of the RFP, the proposal must be typed in 12 point font on 40 double-spaced pages.

Q. Can the grant application deadline be extended, or will a draft version be acceptable by the March 13 deadline?

A. The grant application deadline will not be extended, and drafts of grants proposals will not be accepted.